



Arizona Set Aside Procurement Program
Meeting Minutes
October 19, 2016

Attendance:

Members Present:

Steven King, Beacon
Shanna Ellis, TCH

Richard Monaco, AIB
Brian Radecki, ACI
Carol Carr, Achieve Human
Services (Phone)

State Procurement Office Staff Present:

Barbara Corella
Chris Lacey

John Lyman

Suzi Williams

Others Present:

Armando Bernasconi, QC

Ryan Shinn, ASDD Document
Destruction

Sam Henry, MARC Community
Resources (phone)

Dennis Stover, Vision BP
Rose Maneer, Canyon Office
Supplies

Ben Karnitschnig, QC
Carrie McMurry, QC

Jeff Masters, Laser Options
Karin Gordon

Leslie Stern, Valley Life

Dan Feldman, Canyon Office
Supplies

Mark Botterbusch, Gompers

Dee Williams, Nobody's
Perfect

Minutes:

I. CALL TO ORDER: Barbara Corella called the meeting to order at 1:41 PM.

II. ROLL CALL: Barbara Corella took roll. Gary Hahn was absent.

III. APPROVAL OF MINUTES: The minutes from the March 22, 2016 sub-committee were presented for approval. Steven King moved to approve the minutes, Brian Radecki seconded the motion. Vote was unanimous, motion carried.

The minutes from the July 29, 2016 committee meeting were present for approval. Technical corrections and typographical errors were highlighted. Brian Radecki motioned to approve the minutes with the corrections, Richard Monaco seconded. Vote was unanimous, motion carried.

IV. Discussions (Possible Action):

1. Overview of State Expenditures was given by Barbara Corella.
 - a. Barbara walked the committee through the use of open books and the review of expenditure categories from the State. This was the basis for establishing the 1% goal for the committee in the upcoming year. The spreadsheet highlighted this information is attached to the minutes.

2. Establishment of the 1% goal based on State expenditures was given by Barbara Corella.
 - a. A breakdown to the category spend that the likely and eligible categories for set aside contracts was discussed. Based upon the exclusion of categories where no set aside provider is available and/or would not be available, a goal of \$3,601,766 was proposed. The spreadsheet attached to the minutes illustrates these calculations. Richard Monaco recommended that Bev Harmon be invited to the next meeting to discuss the intent of the goal.

Motion: Brian Radecki motioned to accept the recommended goal

Second: Richard Monaco seconded.

Vote: unanimous, motion carried.

3. Definition of value added services: Barbara Corella indicated that although this was discussed at the last sub-committee meeting, no written definition has been developed. She asked that this item be tabled to continue the research for any documentation and/or to develop the definition.

Motion: Steven King motioned to table the item

Second: Brian Radecki seconded the motion.

Vote: unanimous, motion carried.

4. Definition of mandatory: Barbara Corella stated that the information provided as part of the sub-committee meeting wasn't a definition, but criteria for consideration when determining if a mandatory contract was appropriate. The Arizona Procurement Code in rule R2-7-607 provides the direction for mandatory contracts. The listed criteria for consideration of a mandatory contract are 1) the experience of the organization; 2) infrastructure to support the mandatory volume; 3) meeting the 60% direct labor requirement; 4) what is the impact to small business; 5) mandatory determinations are only eligible to be made at the time a contract is being renewed or re-solicited; 6) product cannot be a pass through service or good; 7) timing of notification to ADOA requesting a mandatory change is significant and should be made a year in advance.

V. Contract Items

1. Contract Extensions:

Gompers (ADSP014-0259582) Document Imaging Services 11/9/16-11/8/17

MOTION: A motion to approve the contract extensions was made by Richard Monaco.

SECOND: The motion was seconded by Brian Radecki.

DISCUSSION: Barbara Corella indicated that no usage has been reported and no contact had been received from Gompers. Mark Bottersbusch from Gompers was present and indicated usage by cooperative members. All prices and services remain the same.

VOTE: Passed unanimously.

Quality Connections (ADSP015-090497) Office Supplies 11/29/16-11/30/17

MOTION: A motion to approve the contract extensions was made by Brian Radecki.

SECOND: The motion was seconded by Steven King.

DISCUSSION: Armando Bernasconi indicated that prices have been lowered to be competitive with the current Office Supply contract. Barbara Corella indicated the last years estimated usage was approximately \$168,736 per submitted usage reports. No adverse reports on products or services has been received. .

VOTE: Passed unanimously.

The Centers for Habilitation (ADSP015-080052) Records Shredding & Destruction Services 11/29/16-11/30/17

MOTION: A motion to approve the contract extensions was made by Steven King.

SECOND: The motion was seconded by Brian Radecki.

DISCUSSION: Barbara Corella indicated the last years estimated usage was approximately \$200,000 per submitted usage reports. No adverse reports on products or services has been received. .

VOTE: Passed unanimously.

Beacon Group SW Inc. (ADSP015-088125) Records Shredding & Destruction Services 11/9/16-11/30/17

MOTION: A motion to approve the contract extensions was made by Brian Radecki King.

SECOND: The motion was seconded by Richard Monaco.

DISCUSSION: Barbara Corella indicated the State has not received any usage reports on this contract. It is the companion contract to the TCH contract, and covers the Tucson area. Steven King indicated that Beacon has usage and will investigate why it is not being reported. All prices will remain the same.

VOTE: Passed unanimously.

Quality Connections (ADSP014-060351) Remanufactured & OEM Printer Supplies 11/30/16-5/31/17

MOTION: A motion to approve the 6 month contract extensions was made by Brian Radecki King.

SECOND: The motion was seconded by Richard Monaco.

DISCUSSION: Barbara Corella indicated that Quality Connections was asking for a 3 month extension while the Committee reviewed the feasibility application for the mandatory toner contract. Richard Monaco questioned if 3 months was a sufficient timeframe. Quality Connections indicated 6 months would be better and modified their extension request to 6 months. Laser Options discussed the mandatory provision for the remanufactured toners stating they opposed a mandatory contract. Barbara Corella indicated that there had been no adverse reports on products or services has been received.

VOTE: Passed unanimously.

VI Applications/Feasibility Review:

ACI Officer Furniture

Application for a new contract

MOTION: A motion to table this request was made by Richard Monaco.

SECOND: The motion was seconded by Steven King.

DISCUSSION: Barbara Corella stated that no application forms had been received by ACI requesting a new contract. However, there has been communication about the request for new pricing and product listings. Richard Monaco discussed why the committee initiated the application form and the need to be consistent. The current contract expires at the end of the month. Richard requested that information be submitted and a telephonic meeting be conducted prior to the end of the month.

VOTE: Passed unanimously

Nobody's Perfect

Recycling Used Printer Cartridges

Application for a
new contract

MOTION: A motion to table this request was made by Steve King.

SECOND: The motion was seconded by Richard Monaco.

DISCUSSION: Barbara Corella reviewed the application received from Nobody's Perfect. This is a free service where the organization collects used toner cartridges. There is no expense to the State. Dee Williams from Nobody's Perfect indicated that not just state agencies use the contract but they are working with the county as well.

VOTE: Passed unanimously

VII. COMMITTEE COMMENTS AND SUGGESTIONS

Barbara Corella indicated the committee still has the tabled agenda item of the Quality Connections Feasibility Review for OEM, Compatible, and Remanufactured laser jet printer supplies & Toner Cartridges. At some point the committee will need to make a determination regarding this application. Barbara provided information on the current contractors for OEM and compatible laser printer and toner cartridges.

Richard Monaco indicated that he still wishes to understand the impact of this request. He has requested a survey to all vendors requesting the percentage of sales the state business represents, if they are a small business, if they currently employ anyone with disabilities and what impacts the mandatory contract designation will have on the company.

Due to the complex nature of this decision, Richard feels that a separate meeting is appropriate for this issue.

VI. FUTURE AGENDA ITEMS

1. Bev Harmon to revisit the development of the 1% goal
2. Mandatory definition
3. Special telephonic meeting before the end of October
4. Governor's report

VII. CALL TO THE PUBLIC

Dennis Stover of Vision Business Products requesting clarification on what the mandatory request from Quality Connections was: OEM and Remanufactured or OEM, Compatible and


Remanufactured, as well as what options the State Procurement Office has, when the next meeting would be held and if the contract would be pass through products and services. Mr. Stover also confirmed the information on the Committee is posted on the state website.

Armando Bernasconi requested copies of the information received by the committee in response to the survey.

VIII. ADJOURNMENT: The meeting was adjourned at 3:14 p.m.


NEXT MEETING: Regularly scheduled meeting will be in January of 2017. Any special meeting will be posted to the open meeting website.

For inclusion on the next regular agenda, contact Barbara Corella at (602) 542-9136. With prior notice committee members can appoint a proxy if they are unable to attend the meeting. If you require special accommodations, please contact Barbara Corella at (602) 542-9136 at least three working days prior to the meeting.


Barbara M. Corella, C.P.M., CPPB
State Compliance Officer

10/26/16
Date

APPROVED BY THE COMMITTEE:


Barbara M. Corella, C.P.M., CPPB
State Compliance Officer

2/15/17
Date

